

## BOARD OF DIRECTORS

Meeting date: 30 August 2006

Agenda Item: 4

Paper: 06/83

**Title:** Minutes of the Meeting held on 26 July 2006

**Summary** This document records the items discussed at the last Board of Directors meeting.

**Action:** The Board is asked approve the Minutes as an accurate record of the matters arising.

**Prepared by:** Sallie Rumbold  
**Presented by:** Andy Windross, Chairman

**Meeting of the Board of Directors  
Wednesday 26 July 2006**

**Present**

Andy Windross	-	Chairman
Nancy Hallett	-	Chief Executive
Tracey Fletcher	-	Director of Planning and Service Development
Pauline Brown	-	Director of Corporate Development
Professor Kate Costeloe	-	Non Executive Director
John Coakley	-	Medical Director
Caroline Clarke	-	Director of Finance
Andrew Panniker	-	Director of HR & Environment
Ian Luder	-	Non Executive Director
Eric Sorensen	-	Non Executive Director
Jessica Crowe	-	Non Executive Director
Sallie Rumbold	-	Minute taker
Stephen Hay	-	In attendance

**1.0 Chairman's Welcome and Introduction**

Andy Windross, Chairman, opened the meeting and welcomed Stephen Hay to his first meeting. It was noted that the Council of Governors would be asked to formally appoint Steven Hay as Non Executive Director Finance at their next meeting following the recommendation of the Nomination Committee.

**2.0 Apologies for Absence**

Apologies were received from Guy Young, Director of Nursing & Quality, and Pauline Brown, Director of Corporate Development.

**3.0 Declaration of interests regarding items on the agenda**

There were no declarations of interest.

**4.0 Minutes of the previous meeting held on 24<sup>th</sup> May 2006 and matters arising**

The minutes of the previous meeting were agreed as a true record with the following amendments:

- item 6, 2<sup>nd</sup> paragraph: should be worded as '**could** be in breach of terms of authorisation'

- Item 6, 5<sup>th</sup> paragraph: should explain that ‘the trust had been **randomly selected** for a visit from the Healthcare Commission’.
- Item 5: should state that Ian Luder had been reappointed for a further **one year**

Eric Sorensen, Non Executive Director asked for clarification regarding point 7.2. Caroline Clarke, Director of Finance & Information explained that a governance risk of amber related to breaches or potential breaches and issues around data quality.

Actions from the previous meeting were updated as follows:

Agreed Actions from last meeting	Outcome
Investigate the feasibility of including the A&E attendance figures in the printed version of the Annual Report	Caroline Clarke reported that some A&E attendance figures had been added but not in full detail due to time constraints for printing
Response to Monitor consultation – Developing the Compliance Framework: Clinical Quality and Service Performance	Completed
Initial investigation to test value of service for pharmacy	Tracey Fletcher reported that work had been initiated regarding procurement and also how the service is run. This work is ongoing and will take several months to complete
Presentation of pay budgets to Board of Directors	Caroline Clarke reported that some of this information was now presented in the balanced scorecard. The remaining would be picked up in the finance item on the agenda.

## 5.0 Chairman’s Report

Andy Windross, Chairman asked the Board to consider the value of having a Non Executive at Executive Team member’s appraisals and also whether a member of the executive team should be present at the Non Executive appraisals. There were no objections expressed. It was agreed that the 360° feedback was helpful.

Mr Windross congratulated Ian Luder, Non Executive Director on being recommended for nomination as a possible Sheriff of London in 2008.

## **6.0 Chief Executive's Report**

Nancy Hallett, Chief Executive, reported that the Financial Recovery Programme was due to be discussed at the Council of Governors meeting later this week.

Ms Hallett gave an update on the Chair appointment and reported that 10 CV's had been received so far. The packs would be received on Friday from Odgers. The Nominations Committee would meet on Monday. The interviews would be the day before the Annual Members Meeting (AMM) and the aim was for the appointment to be ratified by the Council of Governors after the AMM. Short listed candidates would be invited to visit the Trust and meet the Executive and Non Executive team.

Ms Hallett gave an update on the London Strategic Health Authority (NHS London) and explained that George Greener had been appointed Chair and David Nicholson as Chief Executive. Carolyn Regan had become the Managing Director of the North East London interim body which will be in place until end March 2007. Sheila Adam had become acting Director of Public Health for NHS London.

Ms Hallett reported that City & Hackney PCT were currently undergoing a 'Fitness for Purpose' review.

Caroline Clarke, Director of Finance & Information asked the Board to note the newly published Department of Health Reform Updated Commissioning Framework. This paper addresses future competitive processes and suggests a centralized commissioning approach. Ms Clarke agreed to bring a summary to the next Board meeting.

Ms Hallett explained that Alix Partners were working in the Trust on a consultancy basis for one month and would be attending the Board meeting to introduce themselves under item 8.

## **7.0 Corporate Governance & Hospital Secretary's Report**

### **7.1 Outcome of significant senior personnel issues**

This item is recorded under Reserved Business

### **7.2 Monitor Position**

Nancy Hallett, Chief Executive reported on the current position with Monitor. A letter from Monitor recording the key points from the Quarter 4 meeting on 19<sup>th</sup> June was included in the Board papers. Ms Hallett reported that the next meeting was tomorrow. Eric Sorensen, Non Executive Director commented on

the pressure being exerted on the executive team at this present time and asked if the Non Executive Directors could do any more to help or provide support.

### **7.3 Monitor Q3 Governance Declaration**

Nancy Hallett, Chief Executive reported that the declaration would be of 'non compliance' due to four outpatient breaches in Quarter 1. Ian Luder, Non Executive Director emphasized that this still meant that 99.97% or 15,412 out of 15,416 patients were seen within the 13 week target and that this achievement should be recognized. Mr Luder requested that a statement be added to the declaration to reflect this.

### **7.4 Report on the Use of the Trust Seal**

The Board ratified the use of the Trust Seal.

### **7.5 East London and The City Mental Health NHS Trust – Foundation Status Application**

Nancy Hallett, Chief Executive presented the Foundation Status Consultation Document from East London and The City Mental Health NHS Trust. Ms Hallett agreed to draft a reply.

## **8.0 Business Planning & Performance Management**

Caroline Clarke, Director of Finance & Information asked the Board to note the recent Lawlor report which contains a critical review and evaluation of the recent Department of Health PbR planning and implementation processes. This report was circulated on paper to Board members for information. Ms Clarke reported that the 07/08 structure was now unlikely to change but noted that PbR will change again in 08/09 and the Trust will need to be prepared for these changes.

### **8.1 Month 3 Finance, Activity and Performance Report**

Caroline Clarke, Director of Finance & Information presented the Month 3 Finance, Activity and Performance report. Ms Clarke reported that the Trust is showing a year to date deficit of £753k against a planned deficit for quarter 1 of £1,080k. The improvement against plan is due to activity related income above plan of £300k.

Ms Clarke reported that indications from the Strategic Health Authority were that the central allocations for Education and Training may be cut by 10%. Initial budgets have assumed a 5% reduction overall and if confirmed at 10% this would result in a further loss of income of around £500k. There were also

indications that the research and development levies would be reduced in 2007/08 which would also have a significant impact.

Ms Clarke reported that City & Hackney PCT continued to withhold 5% of income due to outpatient data quality issues. Ian Luder, Non Executive Director emphasized that the action in this case was disproportionate to the measure. Mr Luder noted that outpatient income relates to 20% of the overall City and Hackney income and that withholding 20% of total income meant that in effect 25% of Outpatient income was being withheld which was unjust.

Tracey Fletcher, Director of Planning & Service Development explained that the Trust was only getting paid on the reported first to follow-up-figures so the Trust was already been penalised in terms of the inaccurate data quality issues. Ms Clarke had contacted the Finance Director at the PCT and was awaiting a response. Nancy Hallett, Chief Executive agreed to draft a letter to Laura Sharpe, PCT Chief Executive.

Ms Clarke presented the balanced scorecard and gave an update on clinical coding figures. Quarter 1 had 98 discharge summaries outstanding. Quarter 2 showed 80% coding which was an improvement on previous months, but work would need to continue to ensure that coding was in "real time". Ms Clarke also explained that Clinical Board had agreed a policy in July requiring all discharge summaries to be signed off within 10 days of discharge and this was currently being implemented.

Ms Clarke presented the working capital position and reminded the Board about its application to Monitor to increase the working capital facility. A letter had now been written to Monitor in response to some queries raised by them. This issue was due to be discussed at the meeting with Monitor this week.

Ms Clarke also reported that gross payroll figures were now being shown within the balanced scorecard. Sickness and temporary staff spend were both showing a reduction. Andrew Panniker, Director of HR & Environment explained that staff sickness management by Absence Line would be started on Monday. It was expected that sickness levels would initially increase due to previous under reporting but should then begin to decline. The aim was for 4% or below.

Ian Luder, Non Executive Director said it would be helpful if year to date total activity was presented compared against the previous year. Ms Clarke agreed to action.

Tracey Fletcher, Director of Planning & Service Development reported that 4 outpatient breaches had occurred in quarter 1 and that this had resulted in contract queries from City & Hackney PCT which were currently being dealt with.

Jessica Crowe, Non Executive Director reminded the Board that the A&E target had been met despite continued pressures and asked for an update about the actions requested from the PCT regarding the Primary and Urgent Care Centre (PUCC) opening times. Ms Fletcher explained that a response was still awaited from the PCT and that this would be followed up.

Ian Luder, Non Executive Director enquired about the timing of the increased evening attendances and whether this was seasonal. John Coakley, Medical Director explained that one of the difficulties was that the Trust and the PCT had differing views regarding triage in the Emergency Department and indeed admission of patients to the hospital. It was agreed that these issues needed to be discussed and that the relationship with City & Hackney PCT was a key issue for the Trust.

Nancy Hallett, Chief Executive reported that a meeting with key members of the PCT executive team had been arranged for 4<sup>th</sup> August. Ms Hallett agreed to bring the summary of this meeting back to the next Board meeting.

Ms Hallett asked the Board to note the 'Clostridium difficile' figures on page 4 which were showing an increase. Ms Hallett stated that a further report would go to the Board in September but that the issue was being robustly managed and there was no particular cause for concern at this stage.

## **8.2 Financial Recovery Programme (FRP) Report**

Charles Bellringer and Wim Overeynder from Alix Partners were invited into the Board meeting. Introductions were made and the Mr Bellringer gave an overview of the work carried out in the Trust so far and the company's experience and main aims. A report was expected next week which would give an assessment of progress with the Financial Recovery Plan so far and would make recommendations for the Trust going forward. In particular the gaps in information retrieval and analysis would be highlighted.

Tracey Fletcher, Director of Planning & Service Development presented an update of the Financial Recovery Programme. Ms Fletcher reported that a locum had now been appointed to allow Dr Blanshard to become clinical lead for the programme. Ms Fletcher reported that the directorates had now identified 41 additional posts to come out of the system as savings. Due to timing the part year effect for 06/07 would show as underachieved but the full year effect in 07/08 would be slightly over plan. Mr Panniker enquired whether redundancy costs had been included in the figures. Ms Fletcher explained that 60% were current vacancies and work was now being undertaken to understand the potential cost of redundancies.

Ian Luder, Non Executive Director asked whether many of the vacant posts were being filled by agency. Ms Fletcher reported that this issue had been addressed

during the directorate meetings and that this being scoped by finance at the present time.

Ms Fletcher reported that the plan showed a forecast to year end of - £98k against a savings plan of £6.1 m. The cumulative variance shows a £234k deficit across the first three months against a savings plan of £669k.

Ms Fletcher reported that the month three variances were largely accounted for by the project associated with the EPR contract and the expected savings through transferring the Trust contract from Cerner to Connecting for Health (CfH). Assurances had been received that if the Trust does move across, CfH will reimburse the monthly payments from April 2006. A resolution had also been agreed for project 14a to enable outpatient procedures to be correctly reported and for funding for the activity to be obtained

Ms Fletcher emphasised that the situation could change from one week to the next and that keeping the Board papers in step with this was difficult as they were prepared 10 days ahead of the meeting.

Mr Luder asked if the Board could receive a summary of achievements so far with a commentary regarding how the individual projects have changed since the last Board. Ms Fletcher agreed to provide this for the next and subsequent Board meetings

Jessica Crowe, Non Executive Director clarified that this summary should also include corrective action being undertaken when projects were off track and stressed this was what the Board needed to monitor.

Eric Sorensen, Non Executive Director emphasised the need for the Board to be able to clearly see the variances and changes and to receive assurances that when the plan was falling behind that corrective action was being undertaken.

Nancy Hallett, Chief Executive summarised by explaining that phase one was progressing well and that itemisation of phase 2 was now underway and work on a phase 3 would now need to start. Ms Hallett emphasised that this had all been achieved within existing structures and that this was a huge achievement for the Trust and teams involved. Further resources were now being recruited to the programme and interviews were being held next week for a Programme Manager and Data Analyst.

Ms Hallett explained that a decision would need to be made regarding the potential for continuing to use a consultancy company to support the delivery of the programme of savings. Ms Hallett suggested that the company might be used to assist and support the systemic organisational change that the Trust would need to go through in the future to ensure the programme was successful and sustainable.

The Board agreed that an additional finance committee meeting would be required in August before the next Monitor meeting on the 14<sup>th</sup> August. A decision would also need to be made at that time regarding the consultancy firm. It was agreed that an additional Board meeting would also be held on August 30<sup>th</sup>. The Alix Partners report would also be brought to the August meeting.

### **8.3 Capital Programme**

Andrew Panniker, Director HR & Environment presented a quarterly update on the Capital Programme. Mr Panniker explained that the Academic Centre build had experienced some delays and completion was now due next month. The contractor had raised a contract claim and information was awaited to substantiate the claim. Mr Panniker reported that the delays had not been caused by the Trust.

Mr Panniker reported that the offices on the roof were due to be handed over early autumn 2006. The security office upgrade had been completed but all other improvements to the front entrance were currently on hold. Work on the ward bathrooms was continuing and progressing well. The lease for the police office in the front car park had been signed and work on this and the front car park reconfiguration were anticipated to start in September with completion March 2007.

### **8.4 Cerner and Connecting for Health Position**

This item was recorded under reserved business.

### **9.0 Clinical Governance**

#### **9.1 Feedback from HCC Selective Inspection**

John Coakley, Medical Director reported that the visit had been successful and the Healthcare Commission had said verbally in their statement that the evidence had been robust. The full report is awaited.

#### **9.2 SUI Update**

The Board noted that one new SUI had been declared since the last Board meeting. This incident was regarding Chickenpox exposure in the Antenatal Clinic. All potential patients exposed had been contacted and treated or followed up as necessary.

## **10.0 Policy, Strategy and Innovation**

### **10.1 Fertility Outline Business Case**

Tracey Fletcher, Director Planning & Service Development explained that the Business Case had been written by the directorate and was currently with the Finance Department to check the financial modelling calculations. The full business case would be presented at the September Board meeting.

### **10.2 NE London Competitive Strategy Highlights**

Caroline Clarke, Director Finance & Information gave an update following the North East London Chief Executive Officers meeting earlier this month. Ms Clarke reported on a formal project which was looking at seven options for elective, emergency and ambulatory combinations of care in Outer North East London. One of the options appears to put the future of Whipps Cross Hospital at risk.

Ms Clarke confirmed that a report was due to be published at the end of October and a consultation exercise would then begin. The implications of any of these options on Homerton Trust would then need to be properly assessed.

## **11.0 Papers for Information only**

There were no papers for information presented.

## **12.0 Ratification of Consultant Appointments**

Ratification of the Consultant Radiologist was deferred until August.

## **13.0 Any Other Business**

The Board agreed that the agenda for meetings should show the time as being 08.30 to 12 pm.

Eric Sorensen, Non Executive Director reported on a disciplinary that had taken place earlier in the week which had involved Criminal Records Bureau (CRB) checks. Andrew Panniker, Director HR & Environment reported that a mandatory regime regarding contractors providing CRB checks for relevant staff would be put into place. In the past this regime may not have been applied to all contractors but would in future.

#### 14.0 Dates of forthcoming meetings

Wednesday 30 August 2006  
Wednesday 27 September 2006  
Wednesday 25 October 2006  
Wednesday 29 November – Away Day

<b>AGREED ACTIONS FOR NEXT MEETING</b>	<b>BY WHOM</b>
Summary of Department of Health Reform Updated Commissioning Framework	CC
Foundation Status Consultation Response to East London and The City Mental Health NHS Trust	NH
Letter to Laura Sharpe, Chief Executive City and Hackney PCT, on data quality	NH
Year to date activity on Balanced Scorecard compared to previous year	CC
Summary of meeting with PCT Exec team	NH
FRP summary of achievements so far with a commentary on how the individual projects had changed, including corrective action, since the previous Board.	TF
Alix Partners' report	NH
Ratification of Consultant Radiologist	JC